Enactment of Buy Indian Steel Act

708. SHRI RAMA MUNI REDDY SIRIGIREDDY:

SHRI K. RAMA MOHANA RAO:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that to protect the Indian steel industry, which is passing through rough weather, Government are thinking of enacting Buy Indian Steel Act; and

(b) if so, the salient features of the proposed legislation?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) Yes, Sir. A proposal to enact "Buy Indian Act" is under consideration of the Government. However, it may be noted that the proposal was mooted at a time when the domestic industry had been passing through a severe crisis caused by low price and poor demand. The situation has shown improvement since January 2002 with the price of steel products on an increase and a fair amount of stability having been achieved.

(b) Some of the salient features of the proposed legislation are as follows:

(i) Every public work or industry established or run with the aid or assistance of public funds shall procure its requirment of iron and steel material from indigenous manufacturers unless use of such material is: (a) to be made outside India, (b) to be contrary to public interest of detrimental to the project, (c) not available indigenously in specified quality or within the required delivery schedule.

(ii) Every contract for construction, modification, modernisation, installation, alteration or repairs or any public works or industrial establishment, which is being undertaken with assistance from the public fund should contain a provision that for the performance and execution of the job, the person responsible shall use only such un-manufactured or manufactured iron and steel material which have been mined, produced or manufactured within the country unless it is impracticable for successful completion of the work.

(iii) Every person undertaking execution of any contract or work or job requiring procurement of iron and steel material from sources outside the provision of the Act shall furnish a declaration in the prescribed format to the head of the department/organisation/agency/ contractor. The Authority to whom such declaration is submitted, shall examine the same and if found essential for the completion or execution of the work, forward the same to the Secretary of the concerned Department of Government of India with recommendation/comments for clearance.

Privatisation of Steel Plants

709. SHRI RAMACHANDRA KHUNTIA: Will the Minister of STEEL be pleased to state:

(a) whether Government have any plan for privatisation of Salem, Chennai and Vishakhapatnam Steel Plants;

(b) if so, the details thereof; and

(c) the steps taken to protect the interests of workers of these Steel Plants after privatisation?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) to (c) The financial and business restructuring package for Steel Authority of India Limited (SAIL) that was approved by the Government in February, 2000 *inter-alia*, envisaged formation of a Joint Venture (JV) for Salem Steel Plant (SSP) with a view to reviving the plant, while protecting the jobs of the existing employees. Accordingly, adequate measures are being taken to protect the interests of existing employees. In the contractual documents, provisions have been made whereby the terms and conditions of employment would not be inferior to their existing one.

The Disinvestment Commission recommended writing off of the entire accumulated losses of the Vishakhapatnam Steel Plant as on 31.3.1999 alongwith disinvestment of not less than 51% of its remaining equity to a strategic buyer. No decision has been taken on this recommendation of the Disinvestment Commission.